

Action Item

*Fiscal Policy and Analysis Committee*

Approval of the Minutes of the February 5, 2001, Meeting

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# MINUTES

## *Fiscal Policy and Analysis Committee*

Meeting of February 5, 2001

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**Committee  
members present**

Lance Izumi, *Chair*  
Phillip Forhan, *Vice Chair*  
Robert Hanff  
Velma Montoya  
Ralph Pesqueira  
Melinda G. Wilson  
Alan S. Arkatov, *ex officio*  
Carol Chandler, *ex officio*

**Other Commissioners present**

Guillermo Rodriguez, Jr.  
Evonne Schulze  
Kyhl Smeby  
Howard Welinsky

**Committee  
member absent**

Kyo "Paul" Jhin

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**Call to order**

Chair Izumi called the February 5, 2001 meeting of the Fiscal Policy and Analysis Committee meeting to order at 10:57 a.m. in the University of Southern California, Davidson Executive Conference Center, Embassy Room, 3415 South Figueroa Street, Los Angeles, California.

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**Approval  
of the minutes**

Chair Izumi asked for a motion to approve the minutes of the October 16, 2000 meeting. A motion was made, and the committee voted without dissent, to approve the minutes.

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**Faculty salaries for  
public universities**

Chair Izumi called upon consultant Bill Storey to present this report.

Mr. Storey explained the 35-year history of the *Faculty Salaries for Public Universities Report*. He commented that the process and results, which compare faculty salaries at the California public universities with other institutions, had often been controversial, particularly for the California State University system. Historically, much of the discussion has revolved around the appropriateness of the comparison institutions that are selected by an advisory committee whose members represent diverse interests.

Mr. Storey explained the reporting and analysis process. He said the selected institutions send the comparison data to each of the public university systems in order to protect personnel confidentiality. According to an agreed-upon formula, salary parity figures for faculty at each public university system are then derived by Commission staff. This year, the parity figure is 7.9 percent for the CSU faculty and 4.0 percent for the

UC. Mr. Storey said these figures represent a projected salary lag for each group, should that group receive no salary increase in the coming budget year. While not binding on the Governor or Legislature, the Commission's salary report is employed as an advisory document in the budget process. In many years, he said, the Commission's figure is transferred directly to the budget.

There was a general discussion about the makeup and selection of the comparison institutions. Mr. Storey maintained that different entities argue for changes that would either tend to increase or decrease the parity figures. However, Mr. Storey said, both lists of comparison institutions have remained stable for some time. This provides a valuable continuity to the annual comparisons over time. Director Fox pointed out that legislative language prevents any changes in the comparison groups through 2002-03. Director Fox said a group would be convened in the near future to begin to address this issue.

Commissioner Forhan asked if such a faculty salary comparison could also be done for the California Community Colleges. Mr. Storey said it had been done some 20 years ago but there had been strong pressure to discontinue that particular comparison. Community college faculty salaries are set locally and are quite diverse. It remains, however, a topic for discussion. Director Fox said issues being discussed in the AB 420 report process bear on this matter. Director Fox recommended that staff look at available data to see what analysis of that information might be done.

Chair Arkatov asked if or how salaries might affect the hiring of UC faculty in terms of gender. Mr. Storey said he did not as he had not seen any data on this issue.

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**Highlights of the  
Governor's  
Proposed 2001-02  
State Budget**

Chair Izumi called upon Commission staff member Kevin Woolfork to present this report.

Mr. Woolfork reviewed the item and provided the following highlights:

- ◆ The Governor's Proposed Budget for the next fiscal year has \$105 billion in non-federal fund spending and is the largest in State history.
- ◆ Funding for higher education will go up \$1 billion; fully funding the public systems' anticipated enrollment growth and provides another one percent increase for each university system according to their respective partnership agreements.
- ◆ The community colleges receive full funding for their statutory cost-of-living adjustments.
- ◆ There is \$128 million for the revised Cal Grant Program.
- ◆ Student fee increases are being bought out, and provides State funding for summer sessions at selected campuses.
- ◆ Some \$62 million is provided for community college part-time faculty compensation.
- ◆ Public K-12 funding increases by \$2 billion, including many new initiatives for teacher training.

- ♦ A so-called sales tax holiday is proposed for the fourth weekend in August.

Mr. Woolfork said, although there is a positive revenue projection for the next 18 months, the State's energy crisis and general economic slowdown are factors for some concern.

There was some discussion about funding for year-round sessions at some campuses. There was a wide-ranging discussion about the possibility of seeing a general obligation education bond measure for 2002-03, and the State's overall bonding capacity. Mr. Woolfork said most discussions are around a four-year \$4-billion bond.

Commission Chair Arkatov suggested that the Commission convene an open forum for all parties from education interested in a potential bond measure. Commissioner Rodriguez agreed, suggesting that the Commission also invite the State Treasurer, representatives of the systems and others to discuss the need for a bond measure.

Mr. Woolfork pointed out that State revenue growth in recent years has been pegged largely to money made in the stock market. Current market conditions may put a damper on those increases in the future.

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**Adjournment**    Having no further business, Committee Chair Jhin adjourned the meeting at 11:32 p.m.

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